

**SERIAL 02098 RFP AUDIT ASSISTANCE, INTERNAL AUDIT – Jefferson Wells**

**DATE OF LAST REVISION: February 22, 2006 CONTRACT END DATE: December 31, 2007**

**DECEMBER 31, 2008 2007**  
~~DECEMBER 31, 2005~~  
~~DECEMBER 31, 2004~~  
**CONTRACT PERIOD THROUGH** ~~DECEMBER 31, 2003~~

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **AUDIT ASSISTANCE, INTERNAL AUDIT**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **December 18, 2002**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Director  
Materials Management

WT/mm  
Attach

Copy to: Clerk of the Board  
Ross Tate, Internal Audit  
**Mirheta Muslic**, Materials Management

(Please remove Serial 00141-RFP, 00142-RFP from your contract notebooks)



# CONTRACT FOR SERVICES PURSUANT TO RFP AUDIT ASSISTANCE, INTERNAL AUDIT

**SERIAL 02098-RFP**

This Contract is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Maricopa County** ("County"), a political subdivision of the State of Arizona, and **Jefferson Wells International** an Arizona corporation ("Contractor") for the purchase of Auditing Assistance in the area of General Auditing Services.

## 1.0 TERM

- 1.1 This Contract is for a term of ONE (1) year, beginning on the 1<sup>st</sup> day of January, 2003 and ending the 31<sup>st</sup> day of December, ~~2003 2004 2005 2008~~ **2007**.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year term up to a maximum of four (4) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

## 2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum stated in Final Pricing, attached hereto and incorporated herein as Exhibit "A." Payment shall be made as set forth in the RFP and/or the Best and Final Offer.
- 2.2 Payment under this Contract shall be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the purchase order. The format for invoices shall follow procedures outlined by the Maricopa County Internal Audit Department (IA) prior to submittal of first invoice. The contractor shall adhere to these procedures throughout the term of the contract. These procedures will be subject to revisions at the discretion of IA. All invoices, at a minimum, shall include the following:
  - 2.2.1 Invoice number.
  - 2.2.2 Purchase Order number.
  - 2.2.3 Terms of Payment.
  - 2.2.4 Name and Classification of person(s) providing service.
  - 2.2.5 Hourly rate of person(s) providing service.
  - 2.2.6 Dates and number of hours worked.
  - 2.2.7 Timesheets approved by IA.

## 3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in the Agreed Scope of Work, attached hereto and incorporated herein as Exhibit "B."
- 3.2 Contractor shall perform services at the location(s) and time(s) stated in Exhibit "B," or in the purchase order requesting such services.

- 3.3 During the Contract term, County shall provide Contractor's personnel with adequate workspace and such other related facilities as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the negligence of the County.

4.1.2 Insurance Requirements.

Contractor, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the County, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the County, and any insurance or self-insurance maintained by the County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the County.

The Contractor shall be solely responsible for the deductible and/or self-insured retention and the County, at its option, may require the Contractor to secure payment of such deductibles or self-insured retention's by a surety bond or an irrevocable and unconditional letter of credit.

The County reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name the County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The insurance policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against the County, its agents,

representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

- 4.1.2.1 Commercial General Liability. Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision, which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 11 85, and shall include coverage for Contractor's operations and products and completed operations.

If the Contractor subcontracts any part of the work, services or operations awarded to the Contractor, Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the performance of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

- 4.1.2.2 Automobile Liability. Contractor shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to Contractor's vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

- 4.1.2.3 Workers' Compensation. The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

If any work is subcontracted, the Contractor will require Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the Contractor.

4.1.3 Certificates of Insurance.

- 4.1.3.1 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND FAILURE**

**TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF CONTRACT.**

In the event any insurance policy(ies) required by this Contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the County fifteen (15) days prior to the expiration date.

4.1.4 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty-(30) day's prior written notice to the County.

4.2 PROCUREMENT CARD ORDERING CAPABILITY:

It is the intent of Maricopa County to utilize the Bank of America MasterCard Procurement Card, or other procurement card that may be used by the County from time to time, to place and make payment for orders under the Contract.

4.3 INTERNET ORDERING CAPABILITY:

It is the intent of Maricopa County at its option to utilize the Internet to place orders under this Contract.

4.4 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County  
Department of Materials Management  
Attn: Director of Purchasing  
320 West Lincoln Street  
Phoenix, Arizona

For Contractor:

Jefferson Wells International  
2901 N. Central Ave., #550  
Phoenix, AZ 85012

4.5 REQUIREMENTS CONTRACT:

Contractor signifies its understanding and agreement by signing this document, that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made. Orders will only be placed when County identifies a need and issues a purchase order.

Contractor shall take no action under this Contract unless specifically requested by County, which shall submit a written purchase order to Contractor requesting that work be performed or product be delivered.

County reserves the right to cancel purchase orders within a reasonable period of time after issuance. Should a purchase order be canceled, the County agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor pursuant to the purchase order. The County will not reimburse the Contractor for any costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order.

Contractor agrees to accept verbal cancellation of purchase orders.

**4.6 ESCALATION:**

Any requests for reasonable price adjustments must be submitted thirty (30) days prior to the Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted price terms, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the Producer Price Index or by performing a market survey.

**4.7 TERMINATION:**

County may unconditionally terminate this Contract for convenience by providing thirty (30) calendar days advance notice to the Contractor.

County may terminate this Contract if Contractor fails to pay any charge when due or fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from County, or if Contractor becomes insolvent or generally fails to pay its debts as they mature.

**4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or proposer to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

**4.9 OFFSET FOR DAMAGES;**

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

**4.10 ADDITIONS/DELETIONS OF SERVICE:**

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

**4.11 SUBCONTRACTING:**

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

**4.12 AMENDMENTS:**

All amendments to this Contract must be in writing and signed by both parties.

**4.13 RETENTION OF RECORDS:**

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

**4.14 AUDIT DISALLOWANCES:**

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

**4.15 VALIDITY:**

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

**4.16 RIGHTS IN DATA:**

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

**4.17 INTEGRATION**

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

**CONTRACTOR**

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
PRINTED NAME AND TITLE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
DATE

MARICOPA COUNTY

BY: \_\_\_\_\_  
DIRECTOR, MATERIALS MANAGEMENT

\_\_\_\_\_  
DATE

BY: \_\_\_\_\_  
CHAIRMAN, BOARD OF SUPERVISORS

\_\_\_\_\_  
DATE

ATTESTED:

\_\_\_\_\_  
CLERK OF THE BOARD

\_\_\_\_\_  
DATE

APPROVED AS TO FORM:

\_\_\_\_\_  
MARICOPA COUNTY ATTORNEY

\_\_\_\_\_  
DATE



**EXHIBIT A****02098-RFP-AUDIT ASSISTANCE, INTERNAL AUDIT PRICING**

SERIAL 002098-RFP

PRICING SHEET P089302/B0604645

PROPOSER NAME: Jefferson Wells International  
 F.I.D./VENDOR #: W000003021 X  
 PROPOSER ADDRESS: 2901 N. Central Ave. #550, Phoenix, AZ 85012  
 P.O. ADDRESS: \_\_\_\_\_  
 PROPOSER PHONE #: (602) 643-1611  
 PROPOSER FAX #: (602) 643-1606  
 COMPANY WEB SITE: www.jeffersonwells.com  
 COMPANY CONTACT (REP): Derek Bruns or Julie McCollum  
 E-MAIL ADDRESS (REP): derek\_bruns@jeffersonwells.com or julie\_mccollum@jeffersonwells.com

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: X Yes \_\_\_\_\_ NoACCEPT PROCUREMENT CARD: \_\_\_\_\_ Yes X NO

REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD: \_\_\_\_\_ YES X NO \_\_\_\_\_ % REBATE  
 (Payment shall be made within 48 hrs utilizing the Purchasing Card)

INTERNET ORDERING CAPABILITY: \_\_\_\_\_ YES X NO \_\_\_\_\_ % DISCOUNT (VIA EMAIL)OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: X YES \_\_\_\_\_ NO

PAYMENT TERMS: PROSPER IS REQUIRED TO PICK ONE OF THE FOLLOWING.  
 TERMS WILL BE CONSIDERED IN PRICING EVALUATION.  
 FAILURE TO CHOOSE A TERM WILL RESULT IN A DEFAULT TO NET 30.  
 PROSPER MUST INITIAL THE SELECTION BELOW.

NET 10 \_\_\_\_\_  
 NET 15 \_\_\_\_\_  
 NET 20 \_\_\_\_\_  
 NET 30 X \_\_\_\_\_  
 NET 45 \_\_\_\_\_  
 NET 60 \_\_\_\_\_  
 NET 90 \_\_\_\_\_

2% 10 DAYS NET 30 \_\_\_\_\_  
 1% 10 DAYS NET 30 \_\_\_\_\_  
 2% 30 DAYS NET 31 \_\_\_\_\_  
 1% 30 DAYS NET 31 \_\_\_\_\_  
 5 % 30 DAYS NET 31 \_\_\_\_\_

INDICATE PERCENTAGE OF M/WBE PARTICIPATION IF ANY HERE: 0 %**1.0 GENERAL AUDIT ASSISTANCE:**

ITEM DESCRIPTION	HOURLY RATE
1.1 Partner/Director	\$ <u>140</u>
1.2 Senior Manager	\$ _____
1.3 Manager	\$ <u>105</u>
1.4 Sr. Auditor/ Sr. Consultant	\$ <u>85</u>
1.5 Auditor/Assistant	\$ _____
1.6 Assistant/Administrative Staff	\$ _____

**2.0 HEALTH SERVICES AUDIT ASSISTANCE:**

NA

**3.0 INFORMATION SYSTEMS SERVICES AUDIT ASSISTANCE:**

NA

**4.0 TRAVEL EXPENSES:**

Travel expenses must be authorized in advance by Maricopa County and will be reimbursed at cost.

**5.0 OTHER EXPENSES**

Report production, duplication and other miscellaneous expenses will be reimbursed at cost.

# **EXHIBIT B**

## **02098-RFP-AUDIT ASSISTANCE, INTERNAL AUDIT SCOPE OF WORK**

This contract encompasses auditing assistance to the Internal Audit (IA) Department of Maricopa County in the following area of expertise:

- Area 1-General Audit assistance

Auditing assistance projects will be developed by IA for each area of expertise and sent to Jefferson Wells International for response. Each response will be evaluated as to approach, methodology, personnel assigned and cost. For awarded projects Jefferson Wells International will coordinate all phases of work with IA. All work is to be performed in accordance with Government Auditing Standards.

### **SCOPE OF WORK**

This scope of work includes an assessment of the key business processes and procedures in place to manage the risks and to develop a prioritized audit plan for each project requested by IA. Once the key processes for an audit have been identified the focus shall be on the planning and executing of the audit to include:

- Testing the design effectiveness of the processes and
- Testing the compliance and effectiveness of the controls.

The objectives of each audit shall be to:

- Efficiently capture the information needed to assess all major aspects of the key business processes under review and the related controls
- Minimize the disruptions to normal operations; and
- Effectively communicate all findings to the IA department

### **Phase I-Audit Planning**

Conduct (or assist in conducting) audit planning activities. Work with IA or the audited department to understand the critical elements of the business and operating environment. Identify and document all critical business controls, processes and sub-processes and document business objectives including those significant areas of risk that must be managed.

Analyze the key business processes and related risks that impact the operational and financial processes. For each key business process:

- Identify and understand the key inputs, outputs, activities and related business risks
- Identify the internal business and financial controls in place to reduce those risks to an acceptable level
- Compare the “as is condition” to detailed Internal Audit industry templates of controls and risks that are typically found in these processes
- Identify critical success factors and key performance indicators that measure the processes, integrity and reporting and assess the accuracy of these measurements and their effective use by management.

### **Phase II-Fieldwork**

Evaluate primary, secondary, and/or mitigating controls identified during the risk assessment phase and design appropriate audit tests. Evaluate residual risk (which is the remaining risk, presuming identified controls are working as intended). If the residual risk is acceptable, tests of those controls are assessed to ensure that the controls are working as intended. If the residual risk is deemed unacceptable, appropriate recommendations shall be developed, so that the residual risk is reduced to an acceptable level.

Conduct (or assist in conducting) an assessment of each audit area to:

- Determine the impact and probability that the identified business risks are likely to occur;
- Measure and prioritize the identified business risks in quantitative and qualitative terms;
- Identify the critical controls and individuals accountable for managing these risks;
- Obtain management consensus with the process risk profile; and
- Develop a risk-based control and audit program for the selected processes, functions or systems that focus on optimizing risk management.

### **Phase III-Report Preparation/Presentation**

#### Preparation

Prepare (or assist in preparing) draft and final reports including all supporting documentation using IA Department formats. At the completion of all fieldwork and prior to issuing a draft report, a formal meeting will be held with the auditee(s) and IA to review all findings, and to discuss alternatives for mitigating the risks associated with the identified control weaknesses.

The final deliverables shall include:

- Maricopa County Internal Audit Leadsheets, which include the *finding, criteria, condition, effect, cause, and recommendation*
- Work program and supporting Workpapers – all of which are submitted for final approval to the Maricopa County Internal Audit Department.

#### Presentation

Present (or assist in presentation) to the audited department the final audit results and all related information contained in the final report.

**JEFFERSON WELLS INTERNATIONAL INC., 2901 N CENTRAL AVENUE #550, PHOENIX, AZ 85012**

PRICING SHEET P089302/B0604645

Terms:	NET 30
Vendor Number:	<b>W000003021 X</b>
Telephone Number:	602/643-1600
Fax Number:	602/643-1606
Contact Person:	<b>Michael Mettner</b>
E-mail Address:	<a href="mailto:michael_mettner@jeffersonwells.com">michael_mettner@jeffersonwells.com</a>
Company Web Site:	<a href="http://www.jeffersonwells.com">www.jeffersonwells.com</a>
Certificates of Insurance	Required
Contract Period:	To cover the period ending <b>December 31, 2003 2004 2005 2008 2007.</b>